

Exhibit 62

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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

MIYANO MACHINERY USA INC.,

Plaintiff,

v.

CASE NO. 08-C-526

MIYANOHITEC MACHINERY, INC.,
THOMAS ("TOM") MIYANO, A/K/A
TOSHIHARU MIYANO AND
STEVEN MIYANO, A/K/A SHIGEMORI
MIYANO,

Defendants.

DEPOSITION OF TOSHIKATSU ITO

April 15, 2008
United States Consulate
Osaka, Japan
9:16 a.m. - 3:44 p.m.

COPY

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1 A. Just like to make a correction, although
2 my memory is not precise. At the time I came to
3 the company, she had shares. I think that they
4 were sold to a company overseas. Perhaps not all
5 of them. My memory's not clear, but I think that
6 they were sold.

7 BY MR. MANZO:

8 Q. Mr. Ito, as of 2002 or 2003, do you know
9 whether Tom Miyano guaranteed any of the loans of
10 MMJ?

11 A. At the time, President Miyano I think was
12 a joint grantor of loans made by --

13 INTERPRETER: Sorry. "Of loans made by
14 Miyano."

15 Q. So if Miyano Machinery, Inc. did not
16 repay the loans, then Tom Miyano might have been
17 forced to repay the loans; is that right?

18 MR. KARTON: Objection to the form of the
19 question.

20 A. He had the obligation to repay.

21 BY MR. MANZO:

22 Q. So when you said loans made by Miyano,
23 did you mean loans made by MMJ?

24 A. My understanding of your question was
25 that it was referring to MMJ. But I believe in

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1 regard to MMU, he was also a joint guarantor.

2 Q. I just wanted to clarify, because Mr.
3 Ito, you said, according to the transcript, he was
4 a guarantor of loans made by Miyano. And I wanted
5 to understand if that was -- what Miyano.

6 A. Yes.

7 Q. So what Miyano was it?

8 A. I broke the rules. That Miyano must have
9 been MMJ.

10 Q. Oh, thank you. Now, in around 2002 or
11 2003, MMJ became involved with the IRCJ, is that
12 correct?

13 A. Miyano started to receive IRCJ support in
14 June of 2004. So you're referring to a slightly
15 earlier period.

16 Q. Okay. What was the consequence,
17 financially, to MMJ of its dealings with IRCJ?

18 A. As a result of receiving the support of
19 the IRCJ, Miyano was forgiven on 2.9 billion yen of
20 its bank loans and also received another 2 billion
21 yen for recapitalization. So just in terms of the
22 figures for financial support, it received 4.9
23 billion yen.

24 Q. Which Miyano was that?

25 A. I'm sorry. MMJ.

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1 Q. Thank you. Thank you again. What, if
2 you know, was the consequence, financially
3 speaking, of MMJ's dealings with the IRCJ to Tom
4 Miyano personally?

5 A. As a result of receiving the support of
6 the IRCJ, of MMJ receiving the support of the IRCJ,
7 President -- the loans that President Miyano had
8 guaranteed, that is, the loans that he was joint
9 guarantor on, were all cleared up. On the other
10 hand, he, as I understand it, provided part of his
11 assets and the shares that he held to the IRCJ.

12 Q. So is it correct then that he was
13 relieved of the obligation to repay approximately
14 14 billion yen as the guarantor or the
15 co-guarantor?

16 A. I think you're wrong. At the time MMJ
17 had loans of 12.7 billion, approximately, 13
18 billion yen, and he was relieved of the guaranty on
19 those.

20 CHECK INTERPRETER: He said 1.3 billion.
21 I'm sorry.

22 MR. MANZO: 13. Okay.

23 INTERPRETER: I make mistakes, but not
24 that time.

25 BY MR. MANZO:

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1 Q. Is 13 billion yen more than 100 million
2 dollars?

3 A. What is it. Well, if we converted at the
4 rate of 100 yen to the dollar, that would mean 13
5 billion yen would make about 1.3 billion dollars.

6 CHECK INTERPRETER: 130 million.

7 MR. MANZO: Wouldn't that be 130 million
8 dollars?

9 INTERPRETER: I'm sorry, you're right.
10 Thank you.

11 MR. BAKER: Is that what he said?

12 MR. KARTON: Is that what he said?

13 INTERPRETER: Yes, he did. It is 130
14 million.

15 MR. KARTON: Is that what he said?

16 INTERPRETER: Yes, it is. I made a
17 mistake.

18 MR. BAKER: That's okay.

19 CHECK INTERPRETER: I confirmed that
20 that's what he said.

21 MR. MANZO: So just to be clear --

22 INTERPRETER: I'll repeat the answer, or
23 do you want to go back?

24 BY MR. MANZO:

25 Q. Just to be clear, the answer was at an

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1 that or not?

2 BY MR. MANZO:

3 Q. Yes, I'm asking that.

4 A. I think that perhaps the top management
5 knew that they would have to take responsibility as
6 a result of receiving the corporation's support.

7 Q. Do you recall whether this was discussed
8 at the board of directors when you were there?

9 INTERPRETER: The interpreter would just
10 like to check something. (Interpreter conferring
11 with witness).

12 A. Well, first I would say that I don't
13 remember, but I think perhaps in regard to
14 receiving support from the corporation, I don't
15 think that prior to that, there was probably any
16 resolution put to the board of directors and then
17 the banks approached. I don't think that.

18 Q. In your opinion, what would have happened
19 to MMJ without the IRCJ assistance?

20 MR. KARTON: Objection. Form of the
21 question, lack of foundation. Speculation.

22 MR. MANZO: The man was a director of the
23 corporation.

24 A. He would have been placed in a very tough
25 situation.

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1 BY MR. MANZO:

2 Q. By, "tough situation," do you mean
3 bankruptcy was possible?

4 MR. KARTON: Objection.

5 A. Yes.

6 BY MR. MANZO:

7 Q. At the time MMJ owed more money in loans
8 than it had in annual sales, is that correct?

9 A. At the time, that is 2002, yes.

10 Q. And MMJ owed money to five or more banks
11 in Japan, is that correct?

12 A. Yes.

13 MR. MANZO: I'd like to take five minutes
14 for recess.

15 (A recess was taken.)

16 BY MR. MANZO:

17 Q. Mr. Ito.

18 A. Yes.

19 Q. Are we to understand that it was a
20 surprise to the directors of the company and to Tom
21 Miyano that they would have to surrender their
22 shares or that they would be devalued?

23 MR. KARTON: Objection.

24 BY MR. MANZO:

25 Q. In connection with the IRCJ?

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1 A. Well, when receiving the support of the
2 IRCJ, not just Mr. Miyano, but others were required
3 to take managerial responsibility. The president
4 and all of the directors either surrendered their
5 shares or gave up retirement funds as a way of
6 taking managerial responsibility. Therefore, in
7 seeking or applying to the IRCJ for support, Mr.
8 Miyano was prepared to have to take managerial
9 responsibility.

10 Q. Earlier today, you testified about the
11 value of the Miyano brand.

12 A. Yes.

13 Q. And you also referred to trademarks I
14 think in -- at least Mr. Karton referred to
15 trademarks when he was asking questions to you.

16 A. Yes.

17 Q. What did you mean when you referred to,
18 "the Miyano brand"?

19 A. Well, as I said earlier, regarding the
20 Miyano brand, we have been selling machine tools
21 for some 70 or 80 years under that brand and the
22 name has become well-known among users. Therefore,
23 for us, the Miyano name has substantial important
24 value.

25 Q. Mr. Ito, let me ask you whether you

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1 Q. Yes.

2 A. I just don't recall. But I don't think
3 it's that large.

4 Q. Ito-san, do you know 1993 and 2002, did
5 you receive or otherwise acquire any stock of MMJ?

6 A. I have not acquired any.

7 Q. You don't own any stock at all?

8 MR. MANZO: In MMJ?

9 MR. KARTON: Yes.

10 A. Do you mean me personally?

11 MR. KARTON: Yes.

12 A. No, I've never had any stock in Miyano
13 or, rather, I should say now I have stock, but I
14 did not have any stock between 1993 and 2006.

15 BY MR. KARTON:

16 Q. When did you acquire your stock in MMJ?

17 A. After MMJ went public in September 2006.

18 Q. Did you acquire any of your stock in MMJ
19 through stock options?

20 A. Yes.

21 Q. When IRCJ restructured MMJ, did you give
22 up any of your retirement benefits?

23 CHECK INTERPRETER: He said -- you
24 translated as (Speaking Japanese), but I think it
25 better be translated as (Speaking Japanese).

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1 INTERPRETER: I apologize. (Speaking
2 Japanese). "Yes."

3 MR. MANZO: There is a difference, I
4 assume?

5 BY MR. KARTON:

6 Q. What benefits did you give up?

7 A. I gave up 18 million yen in retirement
8 benefits.

9 Q. Did MMJ at any time own a company or a
10 factory called Ueda? Or, I'm sorry, in the town
11 called Ueda?

12 A. Yes.

13 Q. Does MMJ still own the factory in Ueda?

14 A. No, they've sold that.

15 Q. When did they sell that factory?

16 A. They sold it over a number of stages.

17 Q. Do you know how much MMJ obtained or
18 realized for the sale of the Ueda factory?

19 A. Well, all included, my memory is -- and
20 this is just roughly -- around 2 billion yen.

21 Q. Was that the gross proceeds of sale?

22 A. Well, yes, almost because the book value
23 was very low. So almost the entire acquirement
24 price was profit.

25 Q. Was all of the proceeds from the sale